INFRACLEAR
Driving the digital transformation of infrastructure

InfraClear: Summary

Challenges:

Every year, the world develops around $4 trillion of new infrastructure projects (e.g., renewable energy, water, transport). In order to address the climate crisis, recover from the economic effects of COVID-19, and meet growing demand, we need to invest an *additional* $2.9 trillion per year for the next decade. While many investors are keen to invest in well-developed infrastructure projects, the problem is that not enough bankable projects are being developed.

Before a project can be financed, complex agreements (e.g., concession agreements, power purchase agreements, and loan agreements) must be in place. However, there is no consolidated database of prior projects' terms or performance. Without data on what has been done before and what works, it is difficult to replicate success and scale. Projects end up being structured and negotiated from scratch, one by one.

Every year, developers, banks, and governments spend over $400 billion developing and restructuring projects. It can take 3-5 years to develop a new project. Project development is costly, risky, and time consuming. Over 90% of viable projects that are initiated by good developers either never get built.

InfraClear's approach:

It turns out that a lot of data on project terms, risks, and performance is already public: it is just scattered across thousands of sources. Since the same banks and law firms have been structuring deals for years, project finance agreements are semantically similar. Natural language processing, which is already widely used to analyze legal contracts, can be used to help extract key data from infrastructure contracts.

InfraClear is a fintech/ software-as-a-service company founded by people with expertise in infrastructure finance, NLP, machine learning, and cloud computing. We have already assembled one of the world's largest databases of publicly available project agreements. We are using machine learning to help build a database of project terms and performance.

What InfraClear Does

1. Database of thousands of project finance agreements
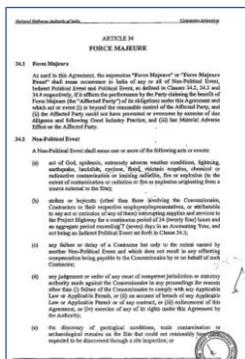
2. Building a Global Primary Database for Infrastructure

3. Building products to

Machine learning

Data on Natural Force Majeure Clause		
Force majeure trigger	Number of disasters	Covered in contract?
Storm/ hurricane/ cyclone/ typhoon	1895	✓
		✓
Fire	141	✓
Weather/ natural phenomenon	117	✓
		✓
Erosion/ landslide/ avalanche	95	✓
Flood	78	✓
Earthquake	2	✗
Act of God		✓
Archaeological/ paleontological		✓
Collapse/ cave in		✗
Disease/ epidemic/ pandemic		✓

- **Drive transparency & standardization**
- **Accelerate project development**
- **Improve risk management**
- **Create liquid market for infra loans**

On top of this data, we are building products to address specific problems faced by banks, developers, insurers, governments, and institutional investors:

1. **Primary global database for infrastructure:** We have gathered one of the world's largest database of public agreements. We are using natural language processing and machine learning to extract never-been-seen data from these dense documents. Such data can help clients rapidly determine "what is market", and "what has worked". It can reduce the time it takes to develop projects by 20-30%, reduce project costs 3-6%, and increase banks' project finance lending margins by 10%.

2. **Intelligent discovery platform:** Most project finance professionals at banks, insurers, multilaterals and governments don't have systems to track and manage project agreements. We are building a platform that helps them easily gain insights from their thousands of agreements.

3. **Portfolio risk management tools:** We are building tools to help banks and asset owners rapidly understand their risks and exposure. For example, they can determine which projects lack protection for an earthquake or climate events. Clients could work with insurers to hedge such risks.

4. **Asset allocation tools:** Institutional investors can use InfraClear's tools to assess how well a fund manager racks risks and structures projects. They can use this to allocate assets and assess the quality of co-investment opportunities.

5. **Create a liquid market for infrastructure loans:** Since infrastructure is an opaque and illiquid asset class, regulators force institutional investors to hold a lot of capital in reserve. This makes securitization costly. The asset class remains illiquid. While around 70% of the US mortgage market is securitized, less than 1% of infrastructure loans have been securitized.

   InfraClear's granular data can dramatically reduce capital charges associated with securitizing infrastructure loans. This could add up to *2.5 percentage points* to the return for a securitized infrastructure loan portfolio. With $3 trillion of infrastructure loans outstanding, this represents a massive opportunity. We are in discussions with a consortium led by HSBC to use our analytics to create such a platform. See FAST Infra's presentation on the Technology Enabled Platform.

Total addressable market: nearly 9,000 potential customers, including banks, project developers, governments, infrastructure funds, lawyers, construction companies, and utilities.

Diverse, mission-driven founding team

Giridhar Srinivasan (CEO)
- 16 years of experience in infrastructure investment and project development.
- Worked at IFC, Lehman Brothers Infrastructure Fund, and Rothschild's Infrastructure M&A team.
- BA, Swarthmore, MBA Wharton.

Sylvia Kwakye (VP Data Science)
- Text Systems Developer, Cornell Law School's Legal Information Institute (world's largest open-source platform for legal information; 39 million users)
- Expert at using NLP to analyze complex legal texts. Made entire United States Code of Federal Regulations searchable using natural language queries
- BS Engineering & Computer Science, Swarthmore. PhD in Engineering, Cornell

Natalie Bowlus (VP Product Development)
- Project finance expert. Former Director for Global Infrastructure & Power, CIBC Capital Markets. Credit Analyst for Project Finance at Moody's.
- BA Mathematics, Swarthmore College; MA Law & Diplomacy, Fletcher School, Tufts University
- Fulbright Scholar in Mathematics, Eötvös Loránd University, Hungary

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